

Message Text

UNCLASSIFIED

PAGE 01 PARIS 20885 01 OF 02 141004Z

11

ACTION H-02

INFO OCT-01 EUR-01 ISO-00 /004 W
----- 063265

O R 140944Z AUG 75
FM AMEMBASSY PARIS
TO AMEMBASSY BERN IMMEDIATE
INFO SECSTATE WASHDC 2187
AMEMBASSY ROME

UNCLAS SECTION 01 OF 02 PARIS 20885

FOR CODEL ST. GERMAIN

FOLLOWING SENT ACTION ROME INFO SECSTATE, BONN, LONDON,
MADRID ON 8/13/75 AND IS NOW REPEATED FOR YOUR ACTION/
INFO:

QUOTE

UNCLAS PARIS 20885

FOR CODEL ST. GERMAIN

E.O. 11652: N/A
TAGS: EFIN ECON GW UK SP FR IT
SUBJECT: CODEL REQUEST FOR FINANCIAL/ECONOMIC
INFORMATION

REF: BERN 3345

FOLLOWING FIGURES ARE MOST RECENT AVAILABLE. ALL ARE
IN DOLLARS, CONVERTED AT OFFICIAL RATE OF F 4.60
EQUALS \$1.

A. 1974 - \$287.7 BILLION.

B. 1975 - ABOUT 62 BILLION, INCLUDING 58 BILLION
ORIGINAL BUDGET AND SUPPLEMENTS VOTED THIS YEAR.

C. 1975 -- ESTIMATED AT ABOUT 2.2 BILLION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 20885 01 OF 02 141004Z

D. END 1974:

SHORT TERM 9.5 BILLION, OF WHICH,
EXTERNAL 1.5
LONG TERM 11.9 BILLION OF WHICH
EXTERNAL 260 MILLION.

E. 1974 MINUS 3.5 BILLION

JAN-JUNE 1975 (SEASONALLY ADJUSTED) PLUS 1.4
BILLION.

F. FIRST HALF 1975, ANNUAL RATE 10.2 PERCENT

JUNE 1974-JUNE 1975 - 11.7 PERCENT.

G. 1. APPROXIMATELY \$1.80 PER GALLON.

2. 13-14 PERCENT (8.25 SUBSIDIZED RATE FOR LOW-
COST HOUSING)

3. 21 PERCENT ANNUAL.

H. FRANCE HAS HAD PRICE CONTROL PROGRAMS OF VARYING
SEVERITY SINCE THE WAR. IN SOME CASES PRICES ARE
FIXED DIRECTLY, IN OTHERS, MARGINS OVER COST OR OTHER
FORMULAS ARE USED. GIVEN FRENCH DISTRIBUTION SYSTEM,
PRICE CONTROL IS GENERALLY CONSIDERED AS MINIMALLY
EFFECTIVE IN FRANCE (AS WITNESSED BY RELATIVELY HIGH
AVERAGE INFLATION RATES AND LONG-TERM DEPRECIATION OF
FRANC AGAINST OTHER STRONG EUROPEAN CURRENCIES).
FRANCE HAS NO WAGE CONTROL AS SUCH. ANTI-INFLATIONARY
LEVY INTRODUCED LAST YEAR WAS TO PENALIZE PRODUCERS
FOR EXCESSIVE WAGE OR PRICE INCREASES, BUT THUS FAR
PENALTIES DUE HAVE BEEN SUSPENDED AND, IN ANY CASE,
SUBJECT TO EVENTUAL REFUND.

I. AVERAGE 1974 - 2.3 PERCENT.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 PARIS 20885 02 OF 02 131517Z

46

ACTION H-03

INFO OCT-01 EUR-08 ISO-00 SS-07 NSC-06 AID-01 /026 W

----- 052756

O R 131506Z AUG 75
FM AMEMBASSY PARIS
TO AMEMBASSY ROME IMMEDIATE
INFO SECSTATE WASHDC 2158
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID

UNCLAS SECTION 02 OF 02 PARIS 20885

AVERAGE JAN-JUNE 1975 - 3.6 PERCENT.
END JUNE 1975 - 4 PERCENT.
FIGURE IS FOR REGISTERED UNEMPLOYMENT,
NOW CONSIDERED ROUGHLY EQUAL TO "REAL" UNEMPLOYMENT AS
MEASURED IN U.S.

J. 8.25 PERCENT BASE RATE FOR BANK LENDING TO BEST
CUSTOMERS.

K. TAXES. 1975 BUDGET DOCUMENT SHOWS PRINCIPAL
SOURCES OF GOVERNMENT REVENUE AS FOLLOWS:
PERSONAL INCOME TAX (PROGRESSIVE SCALE) 18.9 PERCENT
CORPORATE INCOME TAX (50 PERCENT) 11.5 PERCENT
VALUE ADDED TAX (SLIDING SCALE
FROM 7 TO 33 PERCENT) 44.5 PERCENT
CUSTOMS DUTIES AND OTHER INDIRECT
TAXES
INHERITANCE TAXES, INSURANCE AND
AUTOMOBILE TAXES, ETC. 5.2 PERCENT
FRANCE HAS NO CAPITAL GAINS TAX. IMPORTANCE OF
INDIRECT TAXES, PLUS VARIOUS PROVISIONS OF INCOME TAX
LAW, CAUSE FRANCE TO HAVE WHAT IS GENERALLY CON-
SIDERED AMONG MOST UNJUST TAX SYSTEMS AMONG INDUS-
TRIALIZED COUNTRIES.
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 20885 02 OF 02 131517Z

GAMMON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DATA, FINANCIAL DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 14 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS20885
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750281-0049
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750853/aaaabuau.tel
Line Count: 159
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION H
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 BERN 3345
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 12 DEC 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 DEC 2002 by ReddocGW>; APPROVED <18 MAR 2004 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CODEL REQUEST FOR FINANCIAL/ECONOMIC INFORMATION
TAGS: EFIN, ECON, OREP, GE, UK, SP, FR, IT, (ST GERMAIN, FERNAND J)
To: BERN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006